

Senate Engrossed House Bill

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

CHAPTER 242

HOUSE BILL 2591

AN ACT

AMENDING LAWS 2005, CHAPTER 332, SECTION 9; RELATING TO IN LIEU FEES AND
SCHOOL BUS GRANTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Laws 2005, chapter 332, section 9 is amended to read:

3 Sec. 9. In lieu fees; deposit; grants

4 A. Notwithstanding sections 49-543 and 49-551, Arizona Revised
5 Statutes, or any other law, the first \$10,000,000 in revenues received from
6 in lieu fees pursuant to section 49-543, subsection B, paragraph 2, Arizona
7 Revised Statutes, shall be deposited in the state general fund in fiscal year
8 2005-2006.

9 B. Notwithstanding sections 49-543 and 49-551, Arizona Revised
10 Statutes, or any other law, \$500,000 of in lieu fee revenues received in
11 excess of \$10,000,000 shall be deposited in the air quality fund in fiscal
12 year 2005-2006. Monies deposited in the air quality fund pursuant to this
13 subsection shall be appropriated to the department of environmental quality
14 in fiscal year 2005-2006 for operating costs.

15 C. Notwithstanding sections 49-543 and 49-551, Arizona Revised
16 Statutes, or any other law, in lieu fee revenues received in excess of
17 \$10,500,000 shall be deposited in the air quality fund in fiscal year
18 2005-2006. Monies deposited in the air quality fund pursuant to this
19 subsection shall be appropriated to the department of environmental quality
20 in fiscal year 2005-2006 ~~for~~ TO AWARD grants to school districts to purchase
21 new COMPRESSED NATURAL GAS POWERED school buses and TO PURCHASE NEW SCHOOL
22 BUSES WITH DIESEL PARTICULATE FILTERS OR RETROFIT USED SCHOOL BUSES WITH
23 diesel particulate filters. The grants for new school buses shall not exceed
24 the incremental cost difference between conventional diesel fuel school
25 buses, excluding taxes, and new buses that are fueled by compressed natural
26 gas. At least forty per cent of the monies appropriated pursuant to this
27 subsection shall be used for new compressed natural gas buses and at least
28 forty per cent of the monies appropriated pursuant to this subsection shall
29 be used for diesel particulate filters. The remaining TWENTY PER CENT OF THE
30 monies of the appropriation ~~may be used by the department of environmental~~
31 ~~quality for purposes prescribed for the air quality fund pursuant to section~~
32 ~~49-551, Arizona Revised Statutes~~ SHALL BE USED AS NEEDED FOR NEW COMPRESSED
33 NATURAL GAS SCHOOL BUSES OR FOR DIESEL PARTICULATE FILTERS. Monies
34 appropriated pursuant to this subsection that are unencumbered or unexpended
35 on June 30, 2008 shall revert to the state general fund.

36 D. ON OR BEFORE MAY 1, 2006, OR WITHIN NINETY DAYS AFTER THE EFFECTIVE
37 DATE OF THIS AMENDMENT TO THIS SECTION, WHICHEVER IS LATER, APPLICANTS SHALL
38 SUBMIT TO THE DEPARTMENT OF ENVIRONMENTAL QUALITY A GRANT APPLICATION BUDGET
39 AND SCHEDULE FOR PROCUREMENT OF AND SPECIFICATIONS FOR NEW COMPRESSED NATURAL
40 GAS FUELED SCHOOL BUSES OR PARTICULATE FILTERS FOR EITHER NEW OR EXISTING
41 DIESEL FUELED SCHOOL BUSES. THE DEPARTMENT SHALL PROVIDE FORMS FOR THE GRANT
42 APPLICATION PROCESS. AN APPLICANT'S BUDGET SHALL BE LIMITED TO:

1 1. FOR NEW SCHOOL BUSES, THE INCREMENTAL DIFFERENCE BETWEEN THE COST,
2 EXCLUDING TAXES, FOR PURCHASE OF A CONVENTIONAL DIESEL FUELED BUS AND THE
3 COST FOR EITHER A COMPRESSED NATURAL GAS FUELED SCHOOL BUS OR A DIESEL FUELED
4 SCHOOL BUS DESIGNED WITH A PARTICULATE FILTER AND DESIGNED TO RUN ON ULTRALOW
5 SULFUR DIESEL FUEL.

6 2. FOR EXISTING OR NEW SCHOOL BUSES THAT WILL BE RETROFITTED WITH
7 PARTICULATE FILTERS, THE COST OF THE RETROFIT, INCLUDING TAXES AND
8 INSTALLATION COSTS.

9 E. THE DEPARTMENT MAY APPROVE GRANT APPLICATIONS FOR NEW SCHOOL BUSES
10 AND RETROFITS OF USED SCHOOL BUSES ONLY IF ALL OF THE FOLLOWING APPLY:

11 1. THE BUSES HAVE A GROSS VEHICLE WEIGHT RATING OF AT LEAST SEVENTEEN
12 THOUSAND POUNDS.

13 2. THE BUSES ARE POWERED BY AN ENGINE THAT MEETS OR EXCEEDS AN
14 EMISSIONS STANDARD FOR DIESEL PARTICULATE MATTER OF 0.05 GRAMS PER BRAKE
15 HORSEPOWER HOUR.

16 3. FOR ORIGINAL EQUIPMENT MANUFACTURED BUSES, THE GRANT APPLICATION
17 SHALL INCLUDE MANUFACTURER AND MODEL NAME AND NUMBER AND WHETHER THE VEHICLE
18 IS DESIGNED TO RUN ON COMPRESSED NATURAL GAS OR ULTRALOW SULFUR DIESEL.

19 4. FOR A RETROFITS OF USED BUSES, ALL WORK AND EQUIPMENT SHALL COMPLY
20 WITH ANY ONE OF THE FOLLOWING AS PRESCRIBED BY SECTION 49-551.01, SUBSECTION
21 C, ARIZONA REVISED STATUTES:

22 (a) THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY VOLUNTARY
23 RETROFIT PROGRAM.

24 (b) THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY VERIFICATION
25 PROTOCOL FOR RETROFIT CATALYST PARTICULATE FILTER AND ENGINE MODIFICATION
26 CONTROL TECHNOLOGIES FOR HIGHWAY AND NONROAD USE DIESEL ENGINES.

27 (c) THE CALIFORNIA AIR RESOURCES BOARD DIESEL EMISSION CONTROL
28 STRATEGY VERIFICATION PROCEDURE.

29 (d) SECTIONS 43100 AND 43102 OF THE CALIFORNIA HEALTH AND SAFETY CODE.

30 (e) ACTUAL EMISSIONS TESTING PERFORMED ON THE VEHICLE THAT VERIFIES
31 THAT THE VEHICLE MEETS OR EXCEEDS A DIESEL PARTICULATE MATTER STANDARD OF
32 0.05 GRAMS PER BRAKE HORSEPOWER HOUR.

33 5. ALL VEHICLE ACQUISITIONS, RETROFITS AND SERVICES UNDER THE GRANTS
34 SHALL BE DELIVERED ON OR BEFORE JUNE 30, 2008.

35 6. THE APPLICANT SHALL PARTICIPATE IN THE DEPARTMENT'S PILOT PROJECT
36 TO ELIMINATE UNNECESSARY SCHOOL BUS IDLING.

37 F. GRANT MONIES SHALL CONTINUE TO BE AWARDED THROUGH THE EARLIER OF
38 JUNE 30, 2008 OR WHEN ALL AVAILABLE MONIES ARE AWARDED.

39 G. GRANT APPLICATIONS SHALL COMPLY WITH ALL OF THE FOLLOWING:

40 1. BE SUBMITTED ON OR BEFORE MAY 1, 2006 OR WITHIN NINETY DAYS AFTER
41 THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, WHICHEVER IS LATER.

42 2. BE SUBMITTED BY A SCHOOL DISTRICT WITH SCHOOLS OR STUDENTS, OR
43 BOTH, IN AREA A OR AREA B AS DEFINED IN SECTION 49-541, ARIZONA REVISED
44 STATUTES.

45 3. COMPLY WITH THIS SECTION.

1 H. IF THE AMOUNT OF MONIES REQUESTED IN APPLICATIONS EXCEEDS THE
2 AMOUNT OF MONIES AVAILABLE, THE DEPARTMENT SHALL AWARD AVAILABLE FUNDS ON A
3 PRORATED BASIS BASED ON THE NUMBER OF SCHOOL DISTRICTS THAT APPLY.

4 Sec. 2. Emergency

5 This act is an emergency measure that is necessary to preserve the
6 public peace, health or safety and is operative immediately as provided by
7 law.

APPROVED BY THE GOVERNOR MAY 1, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 1, 2006.